



DEPARTMENT OF THE ARMY  
266<sup>th</sup> FINANCIAL MANAGEMENT CENTER  
UNIT 23122  
APO AE 09227

AETS-FCZ

17 October 2011

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policy Letter 2, Check-Cashing Policy

1. Reference. DOD Financial Management Regulation (DoDFMR) 7000.14-R, Volume 5 (Disbursing Policy and Procedures), Chapter 4, December 2009.

2. Purpose. The purpose of this policy is to standardize the procedures, policies, and responsibilities within USAREUR finance offices for cashing personal checks and other negotiable instruments for eligible individuals. The guidance contained in this policy memorandum supersedes all previous 266<sup>th</sup> Financial Management Center check cashing policies.

3. Scope. The procedures outlined in this memorandum apply to all Disbursing Offices under the technical oversight of the 266<sup>th</sup> FMC, while conducting check cashing and currency accommodation exchange for authorized customers.

4. Policy. Department of Defense personnel and their families are authorized and encouraged to use contracted bank services and authorized Defense Credit Union facilities provided for their use at US installations and communities in overseas areas. Stored Value Card (Eagle Cash) should also be utilized to mitigate the risk of dishonored checks. Where not available and where authorized, military members and appropriated fund employees may cash personal checks and other negotiable instruments at USAREUR finance offices to the extent funds and personnel resources are available to support this privilege.

a. Eligible Individuals.

(1) Military personnel in possession of United States Uniformed Services Identification Card below, as applicable:

- DD Form 2 A Army
- DD Form 2 AF Air Force
- DD Form 2 N Navy
- DD Form 2 CG Coast Guard
- DD Form 2 MC Marine Corps

(2) Civilian employees of the U.S. Government and military dependents who are U.S. citizens: DD Form 1173, United States Uniformed Services Identification and Privilege Card. AAFES Employees are not authorized check cashing privileges.

(3) U.S. military retirees in possession of United States Uniformed Services Identification Card below, as applicable:

DD Form 2 A (RET)	Army
DD Form 2 AF (RET)	Air Force
DD Form 2 N (RET)	Navy
DD Form 2 CG (RET)	Coast Guard
DD Form 2 MC (RET)	Marine Corps

(4) Hospitalized veterans of the U.S. Armed Forces: appropriate identification as per (1) or (3) above.

(5) Contractors and their employees engaged in U.S. Government projects provided that the contractor is a U.S. firm, the employee is a U.S. citizen (Valid agency identification card and Passport), and the contracting firm furnishes a memorandum of understanding to the Disbursing Officer (DO) agreeing to satisfy any debts incurred by any insufficient fund checks. The MOU will be filed in its original format, be updated when changes occur or at least every six months, and will contain the names and I.D. #'s of employees authorized this service.

(6) U.S. citizens who are employees of non-Government agencies such as the National Science Foundation operating with U.S. Government agencies: Valid agency identification card and U.S. Passport.

(7) Third-country nationals employed as civilian employees under contract to the U.S. firms engaged in U.S. Government projects (ONLY FOR U.S. TREASURY CHECKS OR FOR U.S. DOLLAR CHECKS ISSUED TO THEM BY THEIR EMPLOYER): Installation Pass and Passport.

b. Authorized Negotiable Instruments. USAREUR finance offices accept the following types of negotiable instruments. Finance offices reserve the right to refuse check cashing of large denomination instruments based on non availability of cash.

- Personal Checks for individuals authorized in above reference
- U.S. Treasury checks
- U.S. state, county or city government
- American Red Cross
- Army Emergency Relief, Air Force Aid Society or Navy Relief Society
- U.S. Money Orders
- U.S. Traveler's Checks (presented by purchaser)
- U.S. bank cashier and certified checks

c. Check-Cashing Limitations.



(1) Upon presentation of any negotiable instrument listed in 4.b. above, the cashier will enter individuals' personal identification number into OTCnet and verify that user is not suspended.

(2) In accordance with DoDFMR Volume 5, Section 0401C, Disbursing Officers will establish check-cashing policies to be approved by the 266th FMC Director. In order to provide a consistent check-cashing environment throughout the theater, Disbursing Officers/Disbursing Agents will permit customers to cash personal checks up to \$745 per week. Exceptions to this personal check-cashing limit due to local economic conditions for cases such as contingency operations are individually approved by the account holder involved and must be supported by retained documentation described in reference, paragraph 040201C.

(3) Eligible individuals will be permitted to cash a personal check once a month for the amount of their rent in addition to the weekly \$745. Individuals requesting this service will provide a copy of their rental agreement to the disbursing office and the rent amount will be annotated on the individuals DD Form 2761 or annotated in DDS within the Customer Check Privileges feature.

(3) If a Disbursing Officer's check cashing policy deviates from this policy, each will be approved by the Director, 266th FMC as per DoDFMR Volume 5, Section 040101 C (1).

(4) In forward deployed areas only, account holders may execute check-cashing agreements with contractor firms whose personnel are dependent on the Finance Office for financial services. Agreements will require the contractor firms to redeem all non-sufficient funds checks written by authorized personnel within 10 days.

(5) No service member will be authorized to cash negotiable instruments within 60 days of ETS. This time period will ensure that the finance office has adequate time to complete collection action in the event that the negotiable instrument does not clear.

(6) No Active Guard or Reserve service member will be authorized to cash personal checks within 30 days of the service member's demobilization from active duty. This time period will provide the finance office adequate time to process collection action before the service member departs active duty. An exception may be granted in areas of support where there is a limited check cashing facility.

d. Documentation.

(1) For US Army Soldiers and appropriated fund civilian employees, stamp the face of the check with the statement: "I consent to immediate collection from my pay the amount of this check, plus bank or processor charges, if this check is dishonored \_\_\_\_\_." The check casher must initial. The check must also contain the check casher's full name, DOD component, Social Security Number, duty station/organization, and duty phone.



(2) For all others, in lieu of the “consent” stamp, prepare DD Form 2761 (Personal Check Cashing Agreement). Verify identity information on check as in b (1) above. Suspend and retain the DD Form 2761. Detailed guidance for this process is in DoDFMR, Volume 5, Paragraph 040201D. DD Form 2761 must be completed legibly, accurately, and completely. Thorough initial collection of information is vital to the success and timeliness of later collection actions should they become necessary. DD Form 2761 (lower half) may be used to designate another individual to cash personal checks only.

e. Processing of Checks Returned Due to Nonsufficient Funds or for Account Closure.

(1) For locations using OTCnet, rejected checks will automatically be re-presented up to two times. Upon receipt of the electronic SF 5515 for US Army soldiers, prepare DD Form 139 (Pay Adjustment Authorization) and provide to Military Pay for immediate collection through a Defense Joint Military Pay System (DJMS) transaction. Attach a copy of the returned check or image and any related documentation to the DD Form 139.

(2) For US Army appropriated fund civilian employees whose checks fail to clear, prepare DD Form 2481 and provide to the employee’s payroll office for immediate collection through a Defense Civilian Payroll System (DCPS) indebtedness transaction. Attach a copy of the returned check or image and any related documentation to the DD Form 2481. If payroll office is not known, follow the procedures described in reference, paragraph 040201D2(d).

(3) For all other authorized individuals who fail to clear checks (DODFMR, Volume 5, Chapter 4, Paragraph 040104), prepare DD Form 139, attach a copy of the returned check or image, the suspended DD Form 2761 and any related documentation, and provide to the member/employee payroll office for collection per subparagraph e. If the payroll office is not known, follow the procedures described in reference (paragraph 040201D2(b)) for military personnel, or the procedures for civilian personnel found in 040201D2(c).

f. Abuse of Check-Writing Privileges.

(1) Account holders will immediately suspend check-cashing privileges for a member or employee for 90 days from receipt of non-sufficient funds notice (OTCnet Pending Redeposit Report). This suspension will apply to all USAREUR disbursing offices. The second such suspension is immediate and durable and may only be removed by direction of the applicable Battalion Commander. The commander of the soldier or employee involved will make all initial requests for removal.

(2) Each dishonored check that fails to clear on both OTCnet re-presentments and therefore requires the finance office to initiate manual collection action will necessitate the finance office to notify the service member’s command. This notification allows the service member’s commander to know what unauthorized actions his or her soldier is committing and creates an important means of deterrence against future abuse.

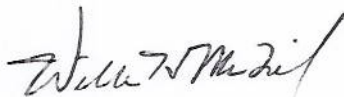
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5. POC for this policy is the Disbursing Operations, DSN 483-7502, commercial 0631-411-7502.

First in Finance Support!

FOR THE COMMANDER:



WILLIAM H. McQUAIL  
Deputy Director, FMC

DISTRIBUTION:

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